



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

File

MEMORANDUM

JAN 18 2000

TO: Robert J. Costa
Assistant Staff Director

THROUGH: James A. Pehrkon
Staff Director

FROM: Lawrence M. Noble
General Counsel

BY: Kim Leslie Bright
Associate General Counsel

SUBJECT: Metropolitan Life Insurance Company, Employees' Political Participation
Fund A - Response to Factual and Legal Analysis (MUR 4955)

On January 6, 2000, this Office received a response from Metropolitan Life Insurance Company, Employees' Political Participation Fund A ("Metlife") to the Commission's determination that there is reason to believe that Metlife violated the Federal Election Campaign Fund Act of 1971, as amended, in Matter Under Review 4955 (previously Audit Referral 99-02). In addition to a narrative response, Metlife submitted an affidavit from Metlife's treasurer, a sample of the request for confirmation letters that were sent to contributors, and copies of the 396 responses Metlife received. These materials are attached. As this matter was generated by an audit undertaken pursuant to 2 U.S.C. § 438(b), we request that you review the materials submitted by Metlife and provide your analysis of them. If you have any questions, please contact Albert Veldhuyzen, the attorney assigned to this matter.

Attachment as stated



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 21, 2000

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: METROPLITAN LIFE INSURANCE COMPANY (METLIFE)
EMPLOYEES' POLITICAL PARTICIPATION FUND A - RESPONSE
TO FACTUAL AND LEGAL ANALYSIS (MUR 4955)

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COUNSEL

As requested by your memorandum dated January 18, 2000, the Audit staff has reviewed and analyzed the materials received from Metlife relative to Matter Under Review 4955.

The Audit report on Metropolitan Life Insurance Company (Metlife) noted that, "the majority of the contributions received by MetLife were made through payroll deduction. The Audit staff reviewed these contributions on a sample basis. For 53% of the sample items, the related payroll deduction authorization form was not available. Those that were available were dated between 1995 and 1997. The forms reviewed implemented changes in the amount to be deducted, enrolled new participants, or canceled prior authorizations. Authorization forms prior to 1995, although apparently still in effect, could not be located."

In response to the Commission's determination that there was reason to believe that Metlife violated the Federal Election Campaign Act of 1971, it submitted a sample copy of a letter that was sent to 483 contributors so they might confirm their payroll deduction authorization. Included were copies of 396 (approximately 82%) contributor responses that were returned to Metlife. In some cases, a second request was necessary. The Audit staff reviewed these responses and determined that there is still no record for 18% of the payroll deduction authorizations. It should be noted that those authorizations

still lacking a record include contributors who are no longer with the company, who no longer contribute to the PAC and are not under any obligation to respond to Metlife's request. Considering Metlife attempted to obtain the necessary confirmation letter from those employees who contributed to the PAC through payroll deduction and, in cases where there was no response, made a second request. Although not timely done, it is the Audit staff's opinion that best efforts has been demonstrated.

Should you have any questions, please contact Henry Miller or Alex Boniewicz at 694-1200.